

## Message Text

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TO AMEMBASSY PRETORIA PRIORITY

INFO AMCONSUL JOHANNESBURG

C O N F I D E N T I A L STATE 258995

E.O. 11652: N/A

TAGS: ELAB, SF, US

SUBJECT: FURTHER USG ACTION REGARDING LABOR PRACTICES OF  
US AFFILIATES IN SOUTH AFRICA.

REF: A. PRETORIA 4571; B. PRETORIA 4572;  
C. JOHANNESBURG A-78

1. DEPARTMENT APPRECIATES RECENT REPORTING ON CURRENT  
EMPLOYMENT PRACTICES OF U.S. SUBSIDIARIES. WE AGREE  
WITH EMBASSY THAT USG CAN INCREASE ITS EFFORTS TO  
ENCOURAGE MORE PROGRESSIVE PRACTICES.

2. AS FIRST STEP WE WISH TO PROVIDE U.S. FIRMS WITH  
MORE UP-TO-DATE GUIDELINES ON EMPLOYMENT PRACTICES. WE  
ACCEPT EMBASSY'S SUGGESTION (PARA 6 REFTEL A) THAT  
EACH FIRM HAVING A MODEL PROGRAM IN THE SEPARATE AREAS  
OF EMPLOYMENT PRACTICES (WAGES, JOB TRAINING, FRINGE  
BENEFITS, JOB ADVANCEMENT, RECOGNITION OF BLACK UNIONS  
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OR OTHER WORKER REPRESENTATION) BE CONTACTED AND THEIR

PERMISSION SOUGHT TO PUBLICIZE THEIR PROGRAM IN DEVELOPING GUIDELINES. WE WOULD NOT PUBLICIZE THE NAME OF THE FIRM AND WOULD WRITE AND CLEAR THE TEXT SO AS TO PROTECT THE FIRM'S IDENTITY. WE SEE UPDATED GUIDELINES AS SHORT 3-4 PAGE DOCUMENT WHICH BRIEFLY OUTLINES MODEL

PROGRAM AND IMPLEMENTING STEPS IN EACH EMPLOYMENT PRACTICES AREA. GUIDELINES SHOULD ATTRACT ATTENTION AND INTEREST OF CORPORATE DECISION MAKERS.

3. WE AGREE WITH EMBASSY THAT IT IS NOT POSSIBLE TO FORMULATE A STANDARD OF PERFORMANCE AGAINST WHICH ALL COMPANIES COULD BE RATED. HOWEVER, WE BELIEVE THAT UPDATED GUIDELINES, PARTICULARLY IF SUPPLEMENTED WITH INSTRUCTIONS AS TO THE PRACTICAL STEPS OTHER COMPANIES CAN TAKE TO INTRODUCE SIMILAR MODEL PROGRAMS, COULD PROVIDE VALUABLE ASSISTANCE TO SUBSIDIARIES WHICH ARE BEING URGED BY USG AND HEAD OFFICES TO BETTER THEIR EMPLOYMENT PRACTICES. WE VISUALIZE PROGRAM OF PERIODIC VISITS TO U.S. SUBSIDIARIES BY LABOR AND COMMERCIAL OFFICERS AS FOLLOW-UP MECHANISM.

4. WE CONSIDER APPROACH OUTLINED IN PARA 7 OF REFTEL A AS AN ADDITION TO RATHER THAN AS A SUBSTITUTE FOR EMBASSY EFFORT TO FORMULATE UPDATED GUIDELINES. WE AGREE THAT INTENSIFIED INVOLVEMENT OF AMERICAN PARENT FIRMS IN THE PRACTICES OF THEIR SOUTH AFRICAN SUBSIDIARIES IS AN IMPORTANT ELEMENT IN ACHIEVING MORE PROGRESSIVE PRACTICES. WE ARE PLANNING A SEMINAR AT THE DEPARTMENT IN JANUARY 1977 FOR HIGH LEVEL REPRESENTATIVES OF THE 40 U.S. FIRMS WHOSE AFFILIATES IN SOUTH AFRICA ARE THE LARGEST EMPLOYERS AMONG U.S. AFFILIATES. THE MAIN PURPOSE OF THIS SEMINAR WOULD BE AN OFF THE RECORD USG-BUSINESS EXCHANGE OF VIEWS ON EMPLOYMENT PRACTICES OF U.S. FIRMS IN SOUTH AFRICA. WE WILL GIVE CONSIDERATION TO YOUR SUGGESTIONS (PARAS 9 AND 11 OF REFTEL A) AS POSSIBLE TOPICS FOR DISCUSSION AT THE SEMINAR.

4. ACTION REQUESTED: EMBASSY IS REQUESTED, IN  
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COOPERATION WITH CONGEN JOHANNESBURG, TO COMPILE INFORMATION ON MODEL PROGRAMS IN EACH SPECIFIC AREA OF EMPLOYMENT PRACTICES WHICH WOULD FORM THE BASIS FOR UPDATED GUIDELINES. DEPARTMENT WISHES TO RECEIVE UPDATED GUIDELINES BY DEC. 1 TO PERMIT TIME FOR PRINTING AND DISSEMINATION TO COMPANIES PRIOR TO CONVENING OF SEMINAR IN JANUARY. EMBASSY IS ALSO REQUESTED TO PROVIDE DEPARTMENT BY DEC. 15 A REPORT

ON RECENT POLITICAL AND ECONOMIC DEVELOPMENTS IN  
SOUTHERN AFRICAN AREA FOR DISTRIBUTION TO SEMINAR  
PARTICIPANTS IN ADVANCE OF SEMINAR.

ROBINSON

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## Message Attributes

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